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At the end of an extraordinary week of allegations about Britain's security service, Mrs. Thatcher officially cleared the former head of MI5, Sir Roger Hollis, of working for the KGB. But two main questions remain: who leaked the suggestion in the first place? And what lay behind the accusations that the top level of MI5 had nevertheless been penetrated by Moscow? Answers to both can now be found.

How the seeds of suspicion were sown

IF MRS. THATCHER genuinely intends to trace the source of last week's security leaks, she must venture back into one of the most bizarre periods of modern British politics—the Harold Wilson governments between 1964 and 1976. It was here, in an atmosphere of suspicion and intrigue at Number 10 Downing Street, that doubts about the reliability of MI5 were first voiced by Wilson himself, and by his political secretary Lady Falkender.

Within weeks of his resignation as Prime Minister in March, 1976, Wilson sought means of making public those anxieties, and in a series of oblique approaches he began suggesting to various newspapers that there was something rotten in the state of Britain's security services which should be investigated. He put out feelers to the editors of The Guardian and The Observer, but in so elusive a manner that neither appeared to understand that he was offering to help in pursuing an enquiry.

He then approached the BBC and began an extraordinary series of interviews with two reporters, Barrie Penrose and Roger Courtiour. By talking to them, and confirming what he had said to the BBC's Director-General, Sir Charles Curran, Wilson was dismantling the hallowed convention that a prime minister never discusses with outsiders the innermost secrets of the state.

In the course of those talks first Wilson, then at great length and detail Lady Falkender, made a series of devastating allegations about security matters. When some of these first surfaced in public, they were greeted

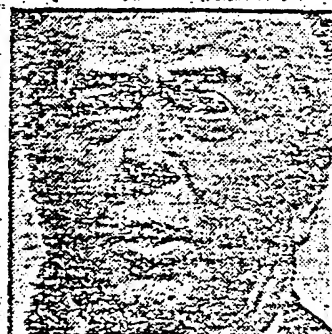
by Barrie Penrose,
Colin Simpson
and Simon Freeman

with suspicion and, often, open disbelief. But events have served to confirm many of them.

Lady Falkender told Penrose and Courtiour in March, 1977, that there was a faction within MI5 which was convinced that the former head of that service was working for the KGB. "Harold told me, 'I've heard every thing now. I've just been told that the head of MI5 may have defected to the Russians,'" she said. Last week the Hollis affair broke into the open.

She talked in July, 1977, about the "fourth man" in the Philby affair, and mentioned "the keeper of the Queen's pictures." In 1979 Anthony Blunt, who once held that job, was revealed as a KGB agent.

She disclosed in March, 1977, that a former British ambassador in Moscow had been compromised by the KGB. "He was not a defector, but he was absolutely ensnared in a KGB plot," she said. "He had been in bed many times with someone he thought was the maid, but who wasn't." Earlier this year, The Sunday Times named that ambassador as Sir Geoffrey Harrison.



Wilson: "I see myself as the big fat spider."

In July, 1977, she told the story about plans for a military coup discussed in 1966 by Lord Mountbatten and others. "Harold was told during the week after his resignation announcement [in March, 1976]," she said. "Solly (Zuckerman) volunteered the whole background to the coup." On page 2 The Sunday Times discloses how far those coup discussions went.

It is clear that the "Hollis affair" owes its origins to these conversations. Penrose and Courtiour reported the suspicions about a former head of MI5 in their book The Pencourt File. Although they had established that the suspected chief was Hollis and had talked to Hollis's widow, they decided that the evidence was not strong enough to justify using the name. And it is significant that Wilson himself said at the time that Hollis might have been deliberately smeared by a hostile faction within MI5. "He has got doubts," said Lady Falkender. "He wasn't sure whether that particular individual might have been moderate and friendly and reliable, and the others had wanted him marked. Harold thought,

that maybe they found that particular man unacceptable to them, and they got him out by smearing him."

THE FALKENDER tapes need to be examined against this background of mutual suspicion, and there are strong reasons for believing that Wilson was right to be concerned.

It was true, for instance, that senior civil servants were spreading damaging rumours about the prime minister and an alleged "Communist cell" at Number 10. At a luncheon in Hampshire in 1975, the Oxford historian Martin Gilbert, official biographer to Sir Winston Churchill, took notes as a retired senior figure in the Ministry of Defence discussed whether Lady Falkender really had "security clearance" (she did). Also present was Chapman Pincher and a man with supposed MI5 links. Gilbert, who was deeply concerned at the conversation, passed his notes on to Wilson.

And at a London dinner party some months later, officials with MI5 connections openly discussed the "fact" that Wilson and Lady Falkender had communist links. Again Wilson learned of the discussion.

Wilson's basic concern was that British Intelligence—or a section of it—had been quoted by reliable witnesses as being the actual source for such rumours. His first action was to call in the late Sir Maurice Oldfield, then head of MI6.

Before he went on holiday to the Scillies in August, 1975, Wilson learned from the MI6 chief that a group of security service officials was vehemently anti-Labour and anti-Wilson.

Shortly afterwards, according to Wilson, the head of MI5, Sir Michael Hanley, confirmed that within his service was a disaffected faction with extreme right-wing views. Wilson and Lady Falkender posed the question: if he could not trust a section of MI5, how could he ask them to investigate impartially the rumours which were being made about himself and his entourage at Number 10?

No longer fully trusting the information he was getting from the security services, Wilson made an unprecedented move for a

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British prime minister and titular head of the British secret service, he decided to approach the CIA and ask them to make checks on his behalf. On February 10, 1976, Wilson asked his publisher Lord Weidenfeld (who received a peerage in Wilson's resignation honours) to visit him at the Commons.

Once they were alone, Wilson asked him if he would take a confidential letter to a mutual friend, Senator Hubert Humphrey, whose memoirs Weidenfeld was publishing. The letter Wilson handed him contained the names of men whose activities seemed particularly suspicious to Wilson and Lady Falkender. Wilson wanted the former American vice-president to ask George Bush, then recently installed as CIA chief, to investigate the men. For one thing, he asked, did they work for the CIA?

The sequel to Weidenfeld's confidential mission to Washington, deliberately organised so that British intelligence would not learn about it, was that Bush made a special visit to London on March 18, 1976, to see Wilson.

It was at this point that Wilson was side-tracked by his conviction that South African agents were somehow involved in the spreading of disinformation. He later believed that the same agents were behind the Jeremy Thorpe affair, and it was his obsession with this theory that undermined much of his credibility and blurred the original security allegations.

Wilson's penchant for cloak and dagger did not help. He tipped off Penrose and Courtiour: "I'll give you the leads. Eventually I'll get a Royal Commission into this whole security matter. I see myself as the big fat spider on the corner of the room. Sometimes I speak when I'm asleep. You should both listen."

It was hard to separate the overtones of Mickey Spillane from the considered views of a former premier.

SO WHY HAVE the MIS allegations only now resurfaced? Part of the answer must lie in the association between Wilson, Lady Falkender, and the journalist Chapman Pincher, whose allegations about Hollis dominated the headlines last week.

Pincher's security contacts, as Phillip Knightley reports below, include former MIS

officials, but he has also formed a close association with Lady Falkender. In his book, *Inside Story*, published in 1978, he made clear that both she and Wilson had confirmed much of the material, and in 1979 he actually teamed up with her to work on a book.

The book—to be called *The Infiltrators*—was ironically about the infiltration of the Labour movement by outside agents. A contract with Lord Longford's firm Sidgwick and Jackson was drawn up, and regular meetings between Pincher and Lady Falkender continued until October last year.

The project went slowly, however, and in December Pincher approached Sidgwick and Jackson with another idea: a book about espionage which would reveal Sir Roger Hollis, former head of MI5 as a KGB agent. Longford himself checked the synopsis with Whitehall sources and agreed to publish the book.

Sidgwick and Jackson offered Pincher the largest advance they have ever paid—a "substantial five-figure sum" in the words of a spokesman (a figure of £70,000 has been mentioned). Plans for speedy publication were drawn up, and a target date of April set to coincide with serialisation in the *Daily Mail*.

Two weeks ago, however, Pincher learned that *The Sunday Times* was pursuing the same story, and hurried plans were made to bring forward publication. A TV commercial was made, letters went out to booksellers to expect a surprise item and, over last weekend, some 20,000 books were bound, with the bindery working night shifts.

For Harold Wilson the resulting furore must seem a mixed blessing. On the one hand Mrs Thatcher has promised an inquiry into security procedures which, while falling short of the Royal Commission he wanted, is at least a step forward.

But on the other hand she has also ordered an investigation into the sources for Pincher's material. Wilson must be aware that this could well lead back to Downing Street in 1976.

When pressed on this point last week on television, Wilson said: "If they are going to use undercover methods to find out, I would be very much against that. If it simply means that . . .

they are finding out whether he [Pincher] correctly recorded what people said and correctly analysed what they have said, I think that is perfectly natural and normal."

Mrs Thatcher may not agree. In July 1977, she asked the then Prime Minister James Callaghan to question Wilson on whether he had, in fact, given interviews on security matters to "two journalists." It was, said Mrs Thatcher, "a very grave matter" and perhaps one that the Attorney General should investigate.

As for Lady Falkender, she said at the time that she was quite prepared for an investigation, and if she is approached now she will have a great deal to say. "We all knew it was coming," she said then. "So did Harold." And she was fully aware that she might be accused of breaking the Official Secrets Act. "If you look at it logically," she said, "none of this should have been told to anyone. No matter how you argue round that, it is like loyalty to an employer. . . . But this is so important to our national life that I must say it."

Extra reporting by Roger Courtiour.

2 What Was Really Leaving MI5 apan

THE MAIN fact to emerge from last week's furor about KGB spies is that Britain's security service, MI5, has been riven by the same tortuous conspiracy theories that nearly wrecked the CIA. Chapman Pincher's catalogue of allegations against Sir Roger Hollis — some with apparent weight, some wrong, some capable of innocent interpretation — has unwittingly confirmed that, for more than 20 years, two factions in MI5 have struggled bitterly for control.

At issue has been two basically different approaches to security work. At its simplest these can be described as the liberal and the Gestapo approach.

Hollis believed in the liberal approach: a man was considered loyal until proven otherwise; if an operation went wrong, the service should first consider the possibility of human error

by Phillip Knightley.

rather than betrayal; and in the secret world, where positive conclusions are rare, a suspect should be given the benefit of the doubt.

Opposed to this view was a small group of highly-motivated officers (described yesterday by another ex-director, Sir Dick White, as "the young Turks"). They wanted to purge MI5 of "communists fellow-travellers, and anyone with dodgy pals." They approved of J. Edgar Hoover's order: all FBI officers should submit to regular lie-detector tests to prove their continuing loyalty.

When Hollis resisted this attitude, saying that he did not want to run a service dominated by a "gang of Gestapo officers," then he, too,

• Phillip Knightley is co-author of *Philby: the Spy Who Betrayed a Generation*.

fell under suspicion. How justified was this?

ONE OF THE MAJOR planks of Pincher's case against Hollis concerns his behaviour over the Gouzenko defection. Igor Gouzenko, a cypher clerk in the office of the military attaché in the Soviet Embassy, Ottawa, defected in September, 1945, bringing with him details of Soviet agents in the West, including one known by the codename of "Elli." Gouzenko knew of Elli as "some one close to administration."

In his book Pincher identifies "Elli" as Hollis, and makes specific allegations about him: "It had been Hollis who had been sent out to Ottawa to deal with the MI5 aspects of the Gouzenko revelations, so it could have been a case of Elli being investigated on the spot in Canada by Elli himself. The records show that Hollis had reported the minimum amount of information from Gouzenko, who later complained that no proper notice had been taken of his Elli disclosure and that he had obviously made a big mistake in reporting MI5 penetration to MI5 itself." (page 33).

There are two things wrong with this version. The first is that Elli was actually identified not as Hollis, but as Kathleen Willsher, an English girl who worked in the confidential registry of the British High Commission in Ottawa. She was arrested on February 15, 1946, pleaded guilty to passing secrets to the Russians, and was sentenced to three years in jail.

Montgomery Hyde in his book, *The Atom Bomb Spies*, not only recounts this, but publishes a photograph of Elli. (It is possible that the Russians had two agents at the time of Gouzenko, both codenamed Elli, but this seems unlikely.)

Next, if MI5 took no proper notice of Gouzenko's information, then the fault was not that of Hollis. Norman Robertson, the Canadian permanent secretary for foreign affairs, came to London after the Gouzenko defection, and personally

called on the director generals of MI5 and the Secret Intelligence Service and gave them a report on Gouzenko's revelations. So Hollis was in no position either to withhold Gouzenko's information from MI5 or to nullify any action on it.

The rest of Pincher's case against Hollis is a bewildering mixture of circumstantial evidence and accusations of omission, poor judgment, dereliction of duty, and strange behaviour.

Considerable significance is placed on the efforts Hollis made to get into MI5 in the first place: "Hollis could offer no satisfactory answer as to why he had been so doggedly determined to join MI5, agreeing that it was the prime target for any Briton recruited to Soviet Intelligence. Weakly he insisted that he just thought that the work would be interesting." (p.83).

The innuendo is sometimes subtle: "The only work he could find [in 1938] was as a clerk-typist. Nevertheless he was still able to afford to play a lot of golf." (p. 41). Other times it is less so: "He said that he could not remember the address of the first house in which he had lived after his first marriage. Inquiries had shown that a former Oxford friend, Archie Lyle, who had also been a companion of Burgess, had lived only four doors down. Hollis denied that he ever knew that Lyle had been such a close neighbour, and this was interpreted as a device to avoid admitting any connection with his former friend because anyone who had ever been involved with Burgess could be suspect." (p.83).

His habits were peculiar: "[He remained] late in his office in Leconfield House, in Curzon Street, often until about 8 pm. Though he had a chauffeured car at his disposal, he would regularly walk to his house in Campden Hill Square, across Hyde Park, a convenient rendezvous if, by that time, he was in contact with a controller." (p.36).

His friends had unsatisfactory backgrounds: "He was on terms of close friendship with Claud Cockburn, a sufficiently dedicated communist to become diplomatic and foreign correspondent for the *Daily Worker* before and

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throughout World War II... he was also a close friend of the late Maurice Richardson, the journalist and writer who for a time joined the Communist Party... Another left-wing influence at Oxford was the extraordinary Tom Driberg." (p. 38)

Even the tribute from Hollis's former boss, Sir Dick White—"The hotter the climate of national security, the cooler he became"—is made to sound suspicious. Pincher writes: "That, no doubt, was an excellent temperament for a director general of MI5 beset, as Hollis was, with an unprecedented succession of security disasters. But as Philby and Blunt showed, it was also an essential attribute for a spy." (p. 44)

WHO ARE Pincher's sources for all this? Pincher himself has refused to say, except to note that they all come from within the security services. But it is possible to deduce who some of them are, and what others were. One source is certainly James Jesus Angleton, head of counter-intelligence for the CIA. Angleton, bristling with suspicion after having been duped by Kim Philby, has been convicted for years that high-level moles remain in both the CIA and in British intelligence.

Angleton's efforts to root them out caused such damage to the CIA that in 1974 a new director, William Colby, asked him to resign. Colby said that "tortuous conspiracy theories about the long arm of a powerful and wily KGB at work over decades" were doing the agency more harm than good.

But Angleton has remained available to spell out his suspicions to anyone who comes with the right introduction. The problem about taking his information seriously is that his suspicions about moles in the West have been fuelled by two Soviet defectors, Anatoly Golitsin, and Michael Goleniewski. Golitsin has been the source of, literally, hundreds of allegations. Goleniewski insists that his real name is Alexi Nicholaevich Romanoff, the son of Tsar Nicholas, and that he is the rightful heir to the throne of Imperial Russia.

Another of Pincher's sources is the man who was director of counter-espionage in MI5 in 1963. Pincher quotes this officer's memorandum to Hollis on February 4 of that year—about the Profumo affair—pressing Hollis to bring the matter to light. Pincher then adds: "That was clearly a plea from a man who had both the interests of his Service and the Government at heart... Having read it and discussed it with his deputy, whom he always overbore, Hollis decided to ignore it." (p. 75)

And a third is probably the MI5 officer who interrogated Blunt. Hollis and the officer fell out over the manner in which the interrogation should be conducted and what should be done about Blunt's leads to high-level suspects. The disagree-

ment became heated and Hollis first suspended the officer, and then dismissed him. Pincher writes: "This officer assumed then that Hollis had realised that he suspected him and therefore wanted rid of him. That is still his view." (p. 80)

And, finally, there is Anthony Motion, the ex-MI5 man who appeared recently on BBC TV and who has said publicly that he stormed out of MI5 over the Blunt affair. HOW NEW is the Pincher material?

Some of it comes from his own writings, going back to 1977, although Pincher seems to have vacillated about its authenticity. In the Daily Express of August 1, 1977, he wrote, "The Observer published an attack on MI5 suggesting that the fourth man in the Philby affair had been a high-ranking MI5 officer... My inquiries with officers involved in the Philby affair, convinced me that this story was untrue and that the heads of MI5 and MI6 feared that they were being subjected to a smear campaign of the kind which has damaged the CIA to the great delight of Russia's KGB."



But by the time he had come to write his book, Inside Story, published in hardback in October, 1978, Pincher had seen Wilson and Lady Falkender and changed his mind about the mole in MI5 and the KGB smear campaign. "At least one suspect spy was detected in MI5 itself during Wilson's premiership. He, too, was quietly removed by being induced to resign." (p. 92)

A year later, Pincher had updated his book for the paperback edition and now put a name to the MI5 suspect. "Early in Wilson's first premiership there was strong suspicion about the loyalty of the director general of MI5, the late Sir Roger Hollis."

"Evidence had accrued from Iron-Curtain defectors suggesting that Hollis, who by that time was in retirement, might himself have been a defector in place, but a long and searching inquiry failed to produce proof. Serious doubts nevertheless remained and stones are still being turned over." (p. 92)

By last week enough stones had apparently been turned for Pincher to feel that a story he was convinced four years ago was untrue was indeed correct and that he could now put his foot firmly on Hollis as a KGB mole. He wrote: "Hollis's behaviour in the Blunt case, as in the Profumo affair, makes sense only in the context that he was a spy himself." (p. 80)